

**The Jefferson Committee
1723 Valmont Street
New Orleans, LA 70115
504 975-1723**

TO: Commission Audit Hearing
FROM The Jefferson Committee
DATE: September 30, 2009
RE: Request for hearing



The Jefferson Committee hereby requests a hearing, to be conducted as a closed hearing, and to be conducted remotely, regarding the following issues contained in the "Report of The Audit Division on The Jefferson Committee":

Finding 4. Commingled Funds : This finding appears to result from a reference in footnote 9 of the audit report, that the regulation, 11 CFR, Section 102.15, implies applicability to "any business funds of an individual." No authority is cited for this conclusion. And, in footnote 11 of the report, the factual conclusion is offered that "it appears that the check (from the TJC check) was used to authorize the wire transfer " (of funds), implying that perhaps ANJ benefitted or somehow needed liquid funds for wire purposes that was immediately replaced by an illiquid ANJ check. ANJ had abundant funds on hand to wire the money involved to the party that received it, and needed nor sort an accommodation from the Jefferson Committee. This was an inadvertent act, which was plainly unauthorized, discovered by TJC only as a result of this audit, (since the treasurer failed to bring it to the attention of the candidate or the committee by reporting it) based on the pure desire for convenience of the treasurer to use the bank closest to him, that holding TJC account, as opposed to walking several blocks to the depository bank of ANJ to complete the transaction involved, and did not infringe upon the requirement that TJC keep its funds segregated, as it did scrupulously since its inception.

The TJC is unsure whether the 15th day requirement for requesting a hearing regarding the final audit report is 15 calendar days or 15 business days, we were working on the idea that it involved 15 business days. In any event, the audit report was brought to my attention on the 15th of September.

We would also like to address the issue of the receipt of prohibited contributions and receipt of contributions in excess of the limit, findings 1, 2 and 3.

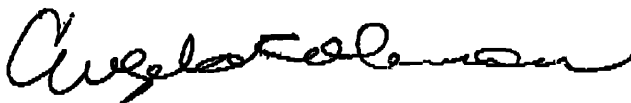
Thank you,



TO: Commission Audit Hearing
FROM: The Jefferson Committee
DATE: October 1, 2009
RE: Request for hearing

Apart from the legal issue identified relating to Finding 4. Commingled Funds, The Jefferson Committee hereby requests a hearing to consider the following additional issues.

The legal standards explained in the report do not define the phrase "did not materially correct the misstatement." TJC amended its reports, in some cases quite substantially, usually with the welcomed guidance of some members of the FEC's audit staff. Yet, in the case of Findings 5. Misstatement of Financial Activities and 7. Disclosure of Disbursements, the Final Audit concludes, without explanation in its legal analysis, that the work of TJC in response to the Interim Audit did not "materially" correct the misstatement. We have searched without success to identify the basis for the use of this legal standard. We disagree with the Audit, if it purports to use this term in its common sense usage, for the changes made in amendments were substantial, and went a very long way in meeting the initial questions raised in the audit. But, an analysis based on the idea of common usage would appear to be unfair to the party called upon to respond. The term should depend upon a written definition that provides an objective standard that gives appropriate notice to TJC in order for it to respond agreeably. The standard is, therefore, in the view of TJC, one that is too vague to be fairly enforced.



TO: FEC Commission Audit Hearing
FROM: The Jefferson Committee
DATE: October 1, 2009
RE: Request for hearing

Apart from the legal issue identified relating to Finding 4. Commingled Funds, The Jefferson Committee hereby requests a hearing to consider the following additional issues.

The legal standards explained in the report do not define the phrase "did not materially correct the misstatement." TJC amended its reports, in some cases quite substantially, usually with the welcomed guidance of some members of the FEC's audit staff. Yet, in the case of Findings 5. Misstatement of Financial Activities and 7. Disclosure of Disbursements, the Final Audit concludes, without explanation in its legal analysis, that the work of TJC in response to the Interim Audit did not "materially" correct the misstatement. We have searched without success to identify the basis for the use of this legal standard. We disagree with the Audit, if it purports to use this term in its common sense usage, for the changes made in amendments were substantial, and important; and they met and addressed the initial questions raised in the audit to a great extent. The work that TJC did to correct its reports were therefore material in every sense of the term. If there is another definition the auditors are using of the term materiality, then TJC should provide a written definition that provides an objective standard that gives appropriate notice to TJC in order that it may respond agreeably. The materiality standard as used in judging both the efforts, the substance, the relevance and extent of the changes made to the subject TJC reports, therefore, in the view of TJC, is too vague to be fairly enforced. It leads the public to the impression, among others, that the TJC took the audit recommendations lightly and did not seriously address the auditor's concerns. But, TJC took every recommendation by the auditors very seriously, spending nearly \$20,000 with a CPA firm to balance statements of the TJC and correct misstatements, and countless hours with your auditors, with the campaign staff and with the candidate. The findings of the audit in regard to TJC having not materially corrected misstatements on its reports should be deleted from the audit report, in fairness to TJC.

TO: FEC Audit Hearing

FROM: The Jefferson Committee, 1723 Valmont Street, New Orleans, LA. 701115;
Angela Coleman, Treasurer

DATE: February 25, 2010

RE: Notice of Withdrawal of Request for Hearing Regarding the Audit Report of the
FEC of The Jefferson Committee

Dear Audit Committee:

The Jefferson Committee (TJC) hereby withdraws its request for a hearing on the Final Audit of the FEC of its records for the 2006 campaign cycle. TJC would, however, ask that its objections that it submitted to the Commission that would have formed the basis for the hearing be considered and included in the Audit Report. To reiterate, TJC's objections are as follows:

1. **Objections to Finding 4. Commingled Funds:** TJC provided a letter to the Commission from Mr. Jack Swetland, former treasurer of TJC, which stated that he sent a wire transfer from TJC to iGate, Inc. for around \$25,000, then, within minutes, deposited a check from ANJ, a family business over which Mr. Swetland had check writing authority, into TJC account to replace the amount wired. Mr. Swetland's letter stated that he performed this transaction merely for his "convenience", not for any purpose relating to the business of TJC or that of ANJ. At the federal criminal trial of William Jefferson held in August of 2009 in Virginia, Mr. Swetland testified under oath exactly as he had set out in his referenced letter. During his testimony at trial, he explained that what he meant by his "convenience" was that the bank account of TJC was at a bank a few yards from his office location, while the bank where the ANJ account was held, was several blocks away. So, instead of handling the wiring of funds from the ANJ to iGate, Inc. Mr. Swetland did the extraordinary act of using TJC funds for the wire. Mr. Swetland testified that ANJ had the required funds on hand at the very time that he wired them from TJC account to iGate. Mr. Swetland also testified that he did not include this transaction in TJC report on his own, without the knowledge of the candidate, because he felt that the \$25,000 plus check from ANJ to TJC was not a campaign contribution and the wire of the same to iGate from TJC was not a campaign expenditure. As odd as this may appear, there is absolutely no basis for the factual conclusion set out in footnote 9 that "it appears that the check (from ANJ) was used to authorize the wire transfer". The check from ANJ that Mr. Swetland deposited into TJC account was not used for that

purpose. The check from ANJ to the TJC was the result of the slovenliness of Mr. Swetland, and had no business purpose for either the TJC or ANJ. TJC kept its accounts separate from all other accounts over the entire 18 years of the candidate's service in congress. Neither TJC, nor ANJ benefitted from this single, misguided transaction. It was kept in the dark by Mr. Swetland. It only came to light to the candidate when the candidate and TJC, under the force of the Commission's audit, was required to hire a CPA firm to examine each check related to its account. That Mr. Swetland's testimony relating to this transaction was given under penalty of perjury in an open court proceeding and that it backed up his explanation of the transaction in his letter that was heretofore submitted to the Commission on this matter should make it clear that TJC did not intend to commingle and indeed did not commingle funds from any other account. The legal conclusion that the regulation, 11 CFR, Section 102.15, implies applicability to "any business funds of an individual" thus covering the matter at hand is drawn out of thin air. No authority is cited for the conclusion. TJC did not commingle funds as a legal or factual matter-ever.

2. Apart from the legal issue identified relating to Finding 4. Commingled Funds, The Jefferson Committee hereby requests a hearing to consider the following additional issues:

The legal standards explained in the report do not define the phrase "did not materially correct the misstatement." TJC amended its reports, in some cases quite substantially, usually with the welcomed guidance of some members of the FEC's audit staff. Yet, in the case of Findings 5. Misstatement of Financial Activities and 7. Disclosure of Disbursements, the Final Audit concludes, without explanation in its legal analysis, that the work of TJC in response to the Interim Audit did not "materially" correct the misstatement. We have searched without success to identify the basis for the use of this legal standard. We disagree with the Audit, if it purports to use this term in its common sense usage, for the changes made in amendments were substantial, and important; and they met and addressed the initial questions raised in the audit to a great extent. The work that TJC did to correct its reports were therefore material in every sense of the term. If there is another definition the auditors are using of the term materiality, then TJC should provide a written definition that provides an objective standard that gives appropriate notice to TJC in order that it may respond agreeably. The materiality standard as used in judging both the efforts, the substance, the relevance and extent of the changes made to the subject TJC reports, therefore, in the view of TJC, is too vague to be fairly enforced. It leads the public to the impression, among others, that the TJC took the audit recommendations lightly and did not seriously address the auditor's concerns. But, TJC took every recommendation by the auditors very seriously, spending nearly \$20,000 with a CPA firm to balance statements of the TJC and correct misstatements, and countless

hours with your auditors, with the campaign staff and with the candidate. The findings of the audit in regard to TJC having not materially corrected misstatements on its reports should be deleted from the audit report, in fairness to TJC.

Thank you for your consideration of these points and objections: